

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

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FM HOLDINGS, LLC f/k/a)	
FORWARDMARKET, LLC,)	
)	
	Plaintiff,)	
)	Civ. No. 05-11400-MLW
v.)	
)	
BILL MAHONEY and)	
STEPHEN GREGORIO,)	
)	
	Defendants.)	
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JOINT STATEMENT PURSUANT TO JUNE 2, 2006 SCHEDULING ORDER

The parties hereby submit the following Joint Statement, pursuant to this Court's June 2, 2006 Scheduling Order:

Pursuant to paragraph 4 of this Court's June 2, 2006 Scheduling Order, counsel for the parties have met and conferred telephonically regarding the possibility of settlement. At this point, the parties have not been able to settle the case and are not prepared to proceed with ADR. The parties have agreed to consider mediation or arbitration on an ongoing basis as an option for the resolution of this matter. The parties have agreed to keep an open dialogue concerning settlement.

There have been disputes concerning the ordering of document discovery and depositions. Defendants believe depositions were inappropriate until it completed discovery with non-party entities which employ Mr. Swenke, the principal of the Plaintiff. Plaintiff believes the depositions should have gone forward regardless. That dispute is now moot since Defendants have concluded discovery efforts with those third parties and the depositions of the key witnesses in the case --

Kevin Swenke, Stephen Gregorio and William Mahoney -- are scheduled for October and early November. These depositions will allow the parties to make better assessments of the relative strengths and weaknesses of their respective positions. The parties have agreed to meet and confer to discuss settlement and/or mediation after the upcoming depositions, and will report to the Court on the progress, or lack thereof, by November 15, 2006.

Dated: September 29, 2006

Plaintiff FM Holdings, LLC
By its attorneys,

Defendants Bill Mahoney and
Stephen Gregorio
By their attorneys

/s/ Sanford F. Remz

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